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Entry: The Whirlpool Sanyo Plant Turnover in Forrest City, Ark.
Category: 1 Community Relations, Section a, Business

SITUATION: Whirlpool Corporation's television manufacturing facility in Forrest City, Ark., (operated by subsidiary Warwick Electronics) was in the process of being sold to a Japanese manufacturing company, Sanyo Electric Co., Limited. Employment at the Whirlpool plant had been declining in recent years, dropping from a high of 3000 to the present level of about 600. That situation and the impending sale to a foreign company worried both present employees and community leaders. Forrest City has a population of 12,500. Employees were concerned about their jobs and future working conditions under foreign management. The community was concerned Sanyo might buy the plant for tax reasons and eventually shut it down, thus creating further unemployment in the area. The Whirlpool/Warwick plant is the second leading employer in the city. These concerns also worried Sanyo and Whirlpool who felt production might be negatively affected and community relations severely damaged unless a strong effort was made to convince employees and community that Sanyo intended to be an interested and concerned corporate citizen.

OBJECTIVES: 1 -- Create a strong, positive awareness of Sanyo's planned entry into the community and state. 2 -- Make employees and the community aware of Sanyo's desire to be a viable partner in the growth of Forrest City and Arkansas. 3 -- Generate interest in Sanyo as a prospective employer. 4 -- Bring Sanyo officials together with key business and political leaders in Forrest City and Little Rock.

METHODS: A two-pronged program was launched -- the first aimed at local problem (Forrest City) and the other aimed state wide (Little Rock). Key elements in program:

- Sanyo President and Managing Director brought from Japan to meet with community leaders, press, employees, state officials.
- Personal contacts with all media in Forrest City and Little Rock alerting them to planned visits and supplying them with full background on Sanyo and proposed acquisition.
- Press briefing in Forrest City between Sanyo officials and media.
- Luncheon meeting between Sanyo group and 120 Forrest City business, civic and political leaders where Sanyo revealed plans for Forrest City plant and employees.
- Exchange of gifts of welcome between Forrest City and Sanyo officials.
- Distribution of small Sanyo pocket calculators to employees and all attending Forrest City luncheon.
- Tour of Forrest City plant by Sanyo officials with frequent planned stops so Japanese management could chat with individual employees.
- Special meeting for all Forrest City employees so Sanyo could outline plans for plant and employees and to tell them about their "new" company.
- Time for extensive question and answer period during employee presentation to squelch all current rumors.

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-- Specially arranged meeting between Sanyo group and Governor David Pryor in Governor's office, Little Rock.

-- Major press briefing at State Capitol building with remarks by Governor Pryor and Mr. K. Iue, president of Sanyo Electric Co., Ltd.

-- Private luncheon between Governor Pryor, State Senator Bell and Sanyo group at Governor's mansion.

-- Exchange of token gifts between Governor and Mr. K. Iue.

RESULTS:

Employee and Community Acceptance:

1. Forrest City luncheon dramatically eased tensions concerning Japanese takeover of local business. The Japanese visitors accepted their hosts' gracious reception with a friendliness and warmth which demonstrated their eagerness to belong to the community. The new management team in Forrest City includes two Japanese, who, along with their families, have been welcomed into the community's social and business circle.

"The luncheon at the Country Club really opened a lot of doors in the community to our new Japanese management team," said Al Hails, newly appointed vice president of manufacturing for Sanyo.

2. Program demonstrated to the community and plant employees that the factory's activity would not diminish. Fears of unemployment proved unfounded -- employment has actually risen 20 percent since Sanyo took over.

Editorial Acceptance:

1. Forrest City press briefing resulted in front page coverage in the Forrest City TIMES-HERALD on two consecutive days, plus an entire page of photos devoted to the Japanese officials' visit. Forrest City radio station KXJK presented major news report following press briefing. Other coverage included features in Memphis COMMERCIAL-APPEAL, Marianna (Ark.) COURIER-INDEX and Crowley Ridge (Ark.) CHRONICLE.

2. In Little Rock, pre-trip publicity included story in ARKANSAS DEMOCRAT. Press briefing at State Capitol resulted in stories in both Little Rock papers, television film coverage on all three Little Rock stations and full coverage by all Little Rock radio stations.

Client Acceptance:

"We were most pleased to have the opportunity to meet the business and political leaders of Forrest City and the state of Arkansas. Our symbolic exchange of gifts with the Mayor and Governor will serve as the foundation of a long friendship and partnership with Forrest City and Arkansas," said K. Iue, president, Sanyo Electric Co., Ltd.

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